

State of Alaska FY2008 Governor's Operating Budget

Department of Fish and Game

Department of Fish and Game

Mission

To protect, maintain, and improve the fish, game, and aquatic plant resources of the state, and manage their use and development in the best interest of the economy and the well-being of the people of the state, consistent with the sustained yield principle.

Core Services

- Provide opportunity to utilize fish and wildlife resources;
- Ensure sustainability and harvestable surplus of fish and wildlife resources;
- Provide information to all customers;
- Involve the public in management of fish and wildlife resources; and
- Protect the state's sovereignty to manage fish and wildlife resources.

End Results	Strategies to Achieve Results
<p>A: Optimal public participation in fish and wildlife pursuits and optimal economic benefits from fish and wildlife resources.</p> <p><u>Target #1:</u> Maintain total annual value of commercial harvests and mariculture production at over \$1 billion annually.</p> <p><u>Measure #1:</u> Total value of commercial harvests and mariculture production of fish, shellfish, and aquatic plants.</p> <p><u>Target #2:</u> To have a positive trend in total trip-related expenditures for fishing, hunting, and wildlife-associated recreation in Alaska.</p> <p><u>Measure #2:</u> The total trip-related expenditures for fishing, hunting, and wildlife-associated recreation in Alaska as measured by the National Survey of Fishing, Hunting, and Wildlife-Associated Recreation every five years.</p> <p><u>Target #3:</u> Increase sales of hunting and trapping licenses to the 3 -year average.</p> <p><u>Measure #3:</u> The number of hunting and trapping licenses sold compared to the 3-year running average.</p> <p><u>Target #4:</u> Provide 2.5 million angler days and sell 450,000 licenses.</p> <p><u>Measure #4:</u> Total number of angler days and number of licensed anglers.</p> <p><u>Target #5:</u> To maintain an increasing trend in total participation in fish and wildlife viewing in Alaska.</p> <p><u>Measure #5:</u> The total number of fish and wildlife viewers in Alaska as reported by the National Survey of Fishing, Hunting, and Wildlife-Associated Recreation every five years.</p>	<p>A1: Ensure the conservation of natural stocks of fish, shellfish and aquatic plants based on scientifically sound assessments.</p> <p><u>Target #1:</u> Establish reproductive goals or other baseline biological reference points for all harvested stocks.</p> <p><u>Measure #1:</u> Percent of harvested stocks with established reproductive goals or other baseline biological reference points.</p> <p>A2: Sustain fisheries on stocks of fish, shellfish and aquatic plants based upon the control and regulation of harvests through responsive management systems.</p> <p><u>Target #1:</u> Meet 80 percent of user group allocation objectives established by the Board of Fisheries by region.</p> <p><u>Measure #1:</u> Percentage of user group allocation objectives met.</p> <p>A3: Increase recreational fishing opportunities via supplemental hatchery production.</p> <p><u>Target #1:</u> Maintain the harvest of hatchery-produced fish (1999-2003).</p> <p><u>Measure #1:</u> Number of hatchery-produced fish harvested.</p> <p>A4: Collect scientifically sound information on wildlife populations in Alaska.</p> <p><u>Target #1:</u> Increase by 5% the collection of population, harvest, and other biological information on species of concern and/or key species about which little information exists.</p> <p><u>Measure #1:</u> Percentage change in the numbers of studies initiated, underway, and completed.</p>

	<p><u>Target #2:</u> Complete 90% of planned surveys on the population status and harvest of big game species, furbearers, migratory birds and marine mammals (not including any stopped by adverse weather conditions or nonavailability of suitable aircraft).</p> <p><u>Measure #2:</u> Percentage of planned surveys completed.</p> <p><u>Target #3:</u> Maintain the number of active research projects at 95 to 100% or more of the previous year's totals.</p> <p><u>Measure #3:</u> Number of research projects compared to those of the previous year.</p> <p>A5: Compile and analyze existing data; conduct research to gather information on the role of hunting and fishing by Alaskans for customary and traditional uses.</p> <p><u>Target #1:</u> Conduct a minimum of five studies of customary and traditional uses of fish and wildlife and harvests in at least three of the six regions each year.</p> <p><u>Measure #1:</u> Number of studies, by region, of Alaskan communities in which comprehensive and current fisheries and wildlife harvest data are collected and reported.</p> <p>A6: Maintain a diverse, dedicated, motivated, empowered and effective workforce.</p> <p><u>Target #1:</u> To have at least 75% surveyed employees who report being motivated and empowered.</p> <p><u>Measure #1:</u> The percentage of employees who report being motivated and empowered as measured by a periodic staff survey.</p> <p><u>Target #2:</u> To have at least 90% surveyed employees who report having the tools, resources, and skills to be effective in their job.</p> <p><u>Measure #2:</u> The percentage of employees who report having the tools, resources, and skills to be effective in their job as measured by a periodic staff survey.</p>
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Major Activities to Advance Strategies

<ul style="list-style-type: none"> Conduct surveys and inventories Perform predator control Manage hatcheries Manage and protect habitat Conduct research Administer Permits and licenses Perform pathology Research genetics Make allocation decisions Issue Regulating Emergency Orders (EOs) - opening/closing fisheries and hunts, etc. 	<ul style="list-style-type: none"> Monitor harvests Operate Information centers Maintain web site Conduct community/school education programs Perform enhancement, developing fisheries, and mariculture Involve the public Account for total mortality Perform enforcement Provide management and administrative services for department Protect Alaska's interest through participation in national and international fish and wildlife forums
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FY2008 Resources Allocated to Achieve Results

FY2008 Department Budget: \$180,345,800

Personnel:

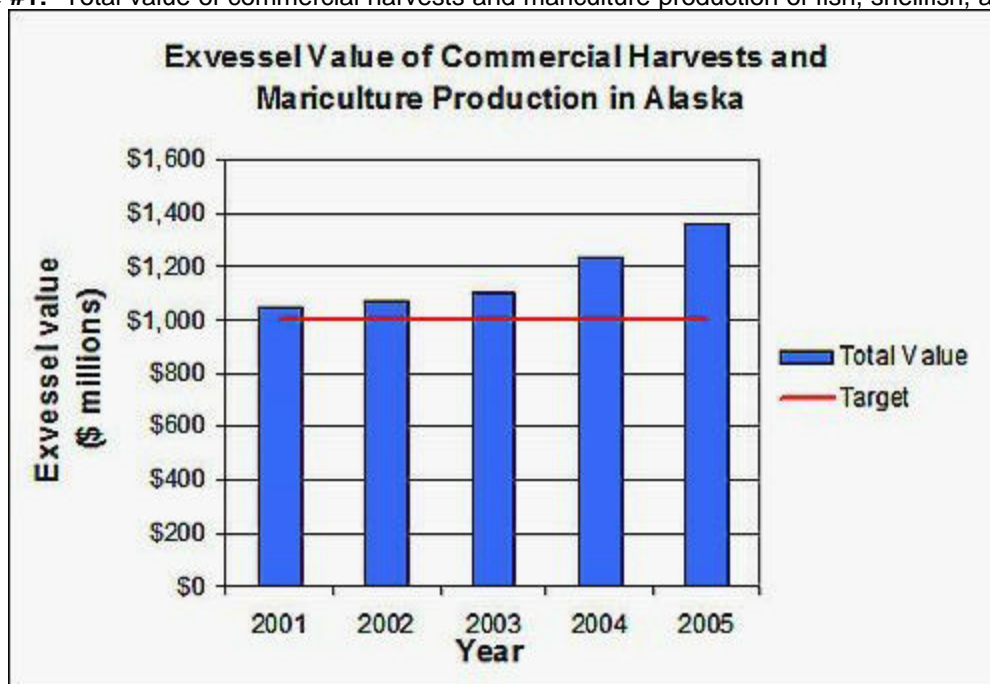
Full time	862
Part time	800
Total	1,662

Performance Measure Detail

A: Result - Optimal public participation in fish and wildlife pursuits and optimal economic benefits from fish and wildlife resources.

Target #1: Maintain total annual value of commercial harvests and mariculture production at over \$1 billion annually.

Measure #1: Total value of commercial harvests and mariculture production of fish, shellfish, and aquatic plants.



Analysis of results and challenges: The Alaska Department of Fish and Game contributes to the success of the seafood industry through its scientific management of the various fisheries resources. Scientific management practices allow for the largest harvests that can be biologically sustained over time. ADF&G also plays a vital role by the adoption of regulations and fisheries management plans, in conjunction with the Alaska Board of Fisheries, fishermen, and processors, that provide orderly fisheries producing high quality products in a cost effective manner for utilization by the seafood industry.

The 2005 commercial salmon harvest was the largest commercial salmon harvest ever and drove both exvessel and wholesale values up for the third consecutive year. Consistently high harvests are providing abundant and stable supplies of raw materials needed by the salmon industry as it works to regain market position relative to farmed salmon. Salmon populations in the AYK region are steadily recovering under the conservative management regime put in place by ADF&G.

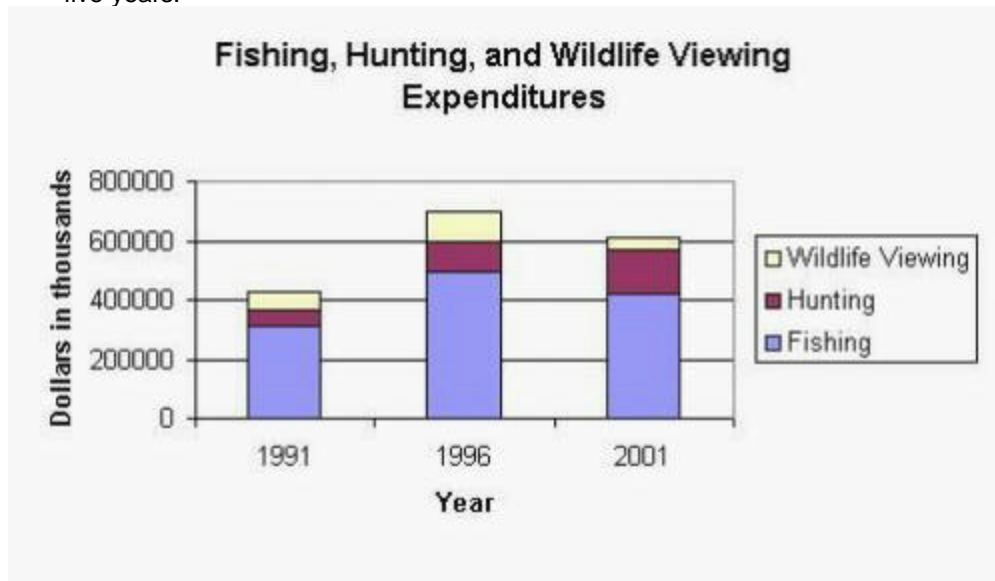
Alaska's herring resources remain undertulized, because of limitations in market demand and low prices.

Pacific cod, pollock, and other groundfish species remain strong contributors to the value of Alaska's fisheries.

Tanner crab fisheries around Kodiak Island that had been closed for many years have rebuilt to the point that fisheries are now being conducted on these stocks. The size of the very valuable Bristol Bay red king crab stock has increased under conservative management and had an exvessel value of over \$83 million in 2005, the largest exvessel value in the last 10 years.

Target #2: To have a positive trend in total trip-related expenditures for fishing, hunting, and wildlife-associated recreation in Alaska.

Measure #2: The total trip-related expenditures for fishing, hunting, and wildlife-associated recreation in Alaska as measured by the National Survey of Fishing, Hunting, and Wildlife-Associated Recreation every five years.



Analysis of results and challenges: The trend in trip expenditures is generally positive based on the National Survey of Fishing, Hunting and Wildlife-Associated Recreation which is conducted every five years. Survey data for 2006 will be reported in 2007.

Target #3: Increase sales of hunting and trapping licenses to the 3-year average.

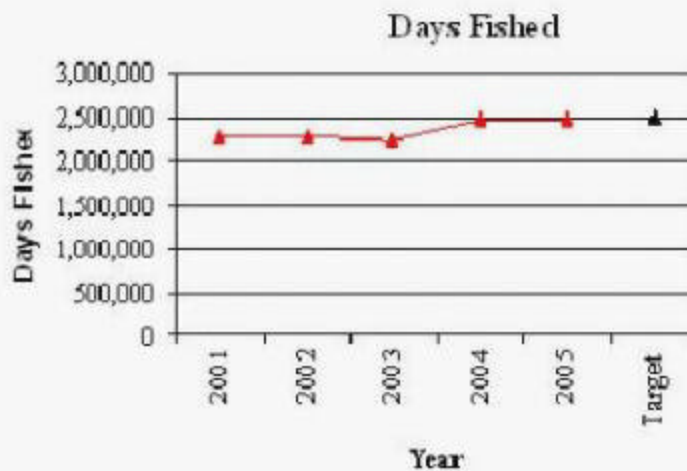
Measure #3: The number of hunting and trapping licenses sold compared to the 3-year running average.



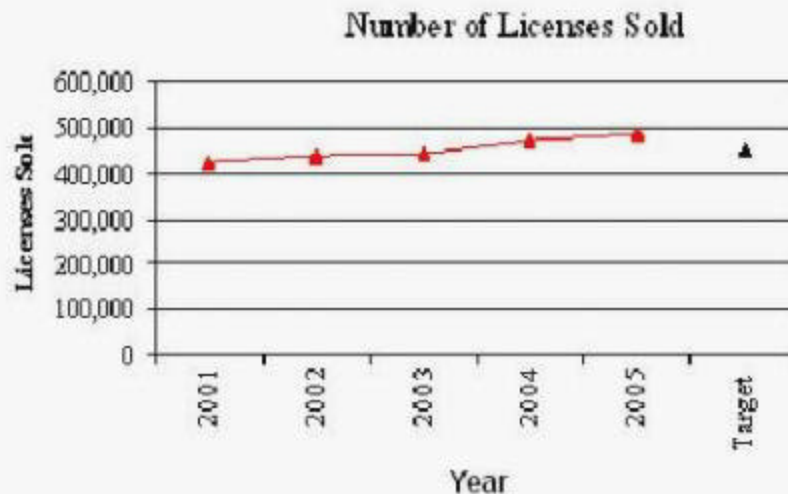
Analysis of results and challenges: Over the past three years the sale of hunting and trapping licenses has ranged from 139,539 in 2003 to 134,562 in 2004 to 137,747 in 2005 (most recent year available). These totals include resident, nonresident and military licenses. The three year running average for this period of time is 137,283. License sales appear to be rebounding from a low in 2004. One incentive for hunters to buy licenses is confidence that game populations are abundant and that there are good opportunities to hunt and harvest game.

Target #4: Provide 2.5 million angler days and sell 450,000 licenses.

Measure #4: Total number of angler days and number of licensed anglers.



Note: Data for this measure is derived in whole or in part from the statewide harvest survey. Due to the timing of the survey the 2005 data is the most recent available.

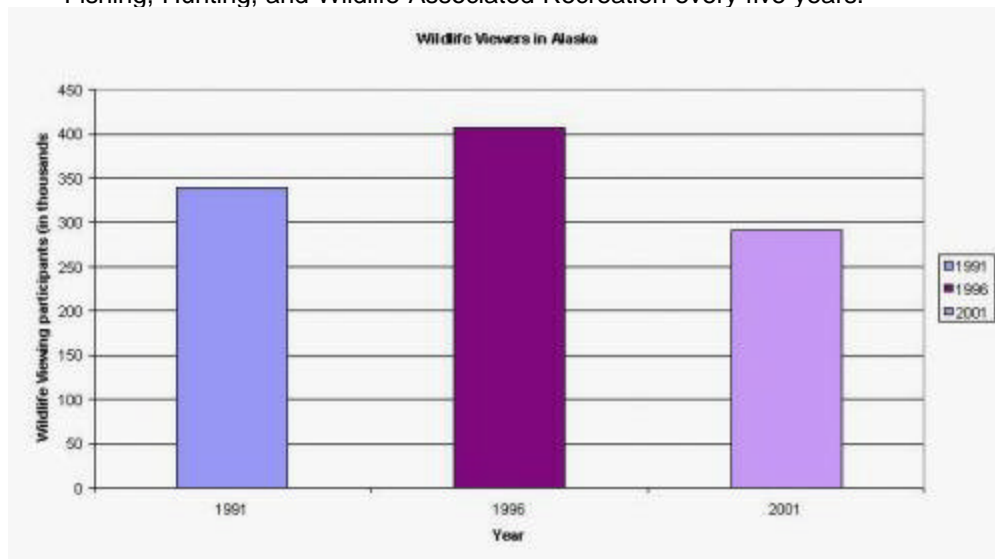


Analysis of results and challenges: In 2005, 487,000 anglers purchased fishing licenses. Licensed and unlicensed anglers spent an estimated 2,464,000 days fishing. These figures indicate that the Division of Sport Fish met or exceeded its targets in this area. Participation has generally increased over the past five years. Although license sales have been increasing somewhat in recent years, it is best to keep the target constant at

this time. A recent license fee increase may affect the number of licenses sold in 2006.

Target #5: To maintain an increasing trend in total participation in fish and wildlife viewing in Alaska.

Measure #5: The total number of fish and wildlife viewers in Alaska as reported by the National Survey of Fishing, Hunting, and Wildlife-Associated Recreation every five years.

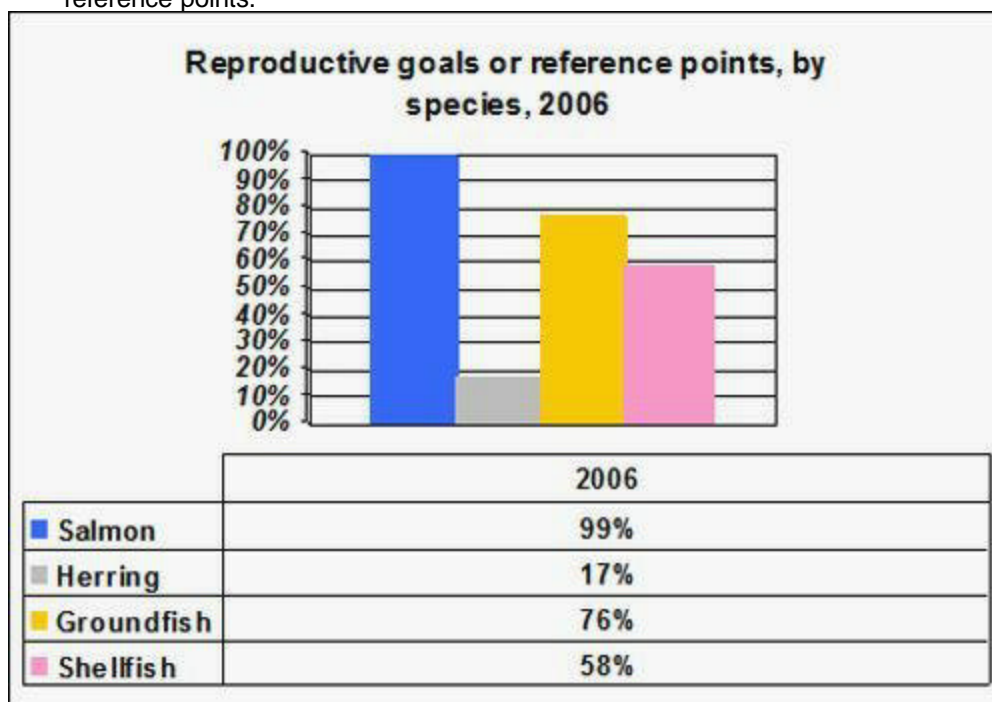


Analysis of results and challenges: The National Survey of Fishing, Hunting and Wildlife Associated Recreation is completed every five years. The U.S. Fish and Wildlife Service last completed this survey in 2001. The next opportunity for obtaining such information will occur in 2006 with data available early in 2007.

A1: Strategy - Ensure the conservation of natural stocks of fish, shellfish and aquatic plants based on scientifically sound assessments.

Target #1: Establish reproductive goals or other baseline biological reference points for all harvested stocks.

Measure #1: Percent of harvested stocks with established reproductive goals or other baseline biological reference points.



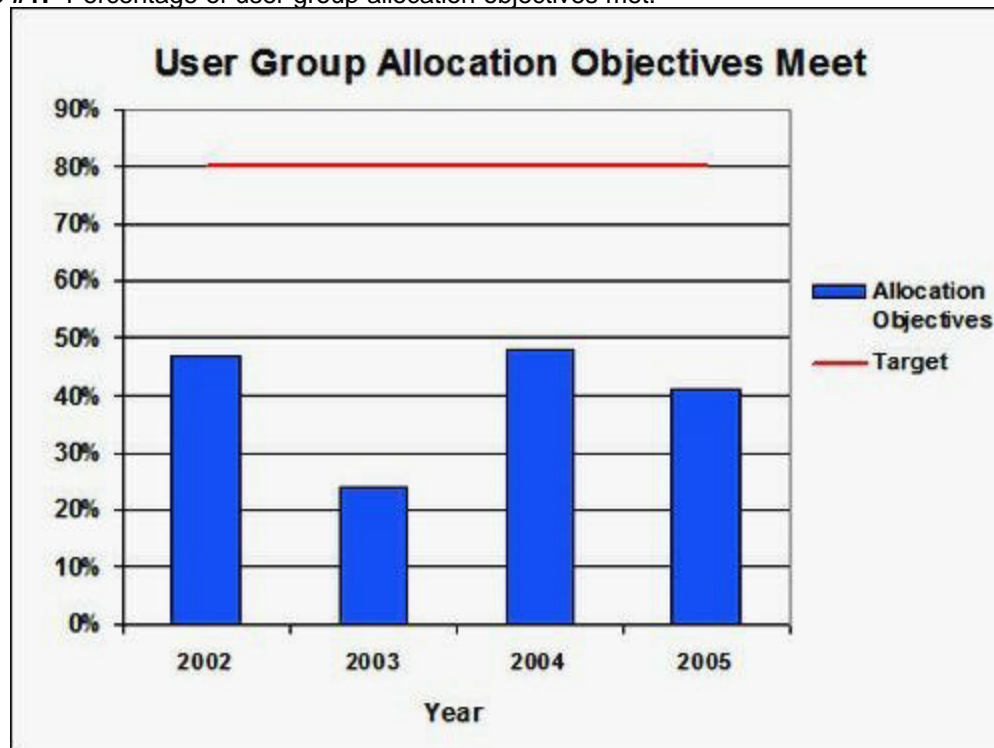
Analysis of results and challenges: The reproductive goals for salmon cover a diversity of types of goals and quality of data. Some goals are specific to a single species in a single river; others represent a goal for a group of closely related spawning populations that are managed as a unit. Some goals are based on a quantitative analysis, with good, consistently collected data on catches and escapements; and others are based on a qualitative assessment from more fragmentary data. The division is continually working to improve its data and the precision of its salmon escapement goals.

The division received a groundfish and shellfish stock assessment increment from the legislature in FY07. This increment will fund the research required to establish additional biological reference points for shellfish/groundfish stocks that do not currently have reference points or reproductive goals and to conduct additional research to refine and improve existing reference points. Biological reference points are necessary to maintain population viability and sustainable harvests.

A2: Strategy - Sustain fisheries on stocks of fish, shellfish and aquatic plants based upon the control and regulation of harvests through responsive management systems.

Target #1: Meet 80 percent of user group allocation objectives established by the Board of Fisheries by region.

Measure #1: Percentage of user group allocation objectives met.



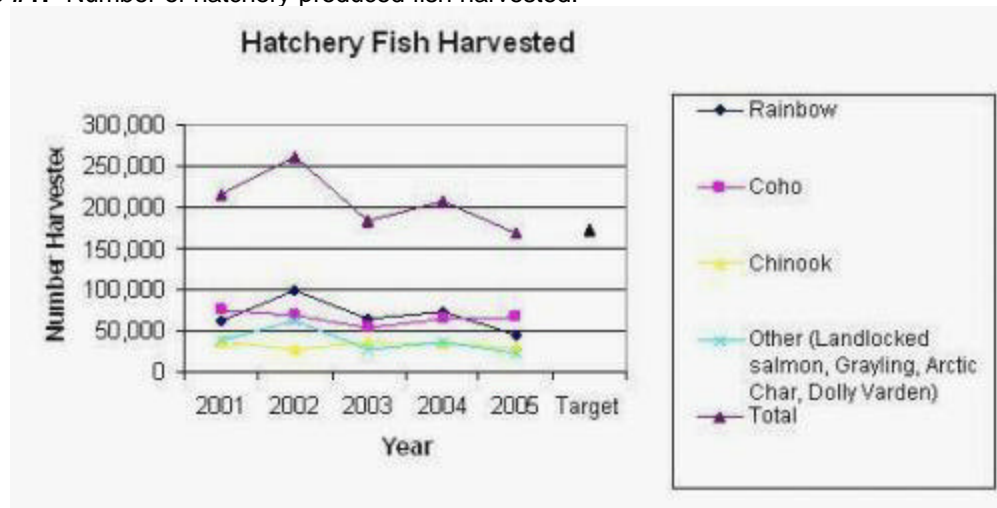
Analysis of results and challenges: In particularly contentious fisheries allocation issues, the Alaska Board of Fisheries may make direct allocations of specific stocks to particular user groups. The division is then charged with managing commercial, subsistence, and personal use fisheries to achieve these targets. This is often one of the most challenging tasks that the division faces. Frequently, the division is faced with limited and fragmentary information and must make decisions on a daily basis to open or close fisheries. Despite these difficulties, the division generally comes relatively close to the allocation targets established.

The current measure requires a high precision for success, within 10 percent above or below the target. The division achieves this measure of success in less than 50 percent of the fisheries subject to these allocations. However, in most instances where the actual harvest falls outside of the targeted range, the variance is relatively small; often only a few percentage points.

A3: Strategy - Increase recreational fishing opportunities via supplemental hatchery production.

Target #1: Maintain the harvest of hatchery-produced fish (1999-2003).

Measure #1: Number of hatchery-produced fish harvested.

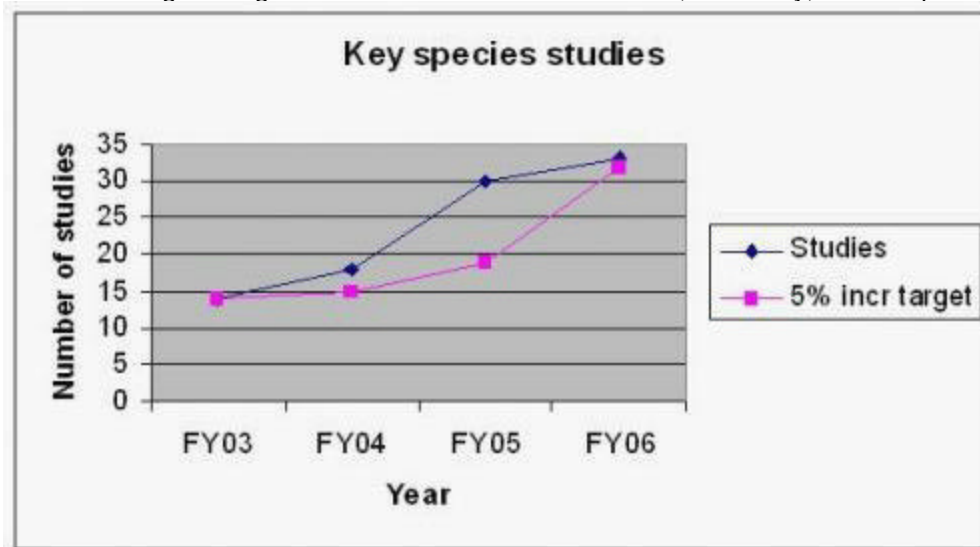


Analysis of results and challenges: The Division of Sport Fish has worked hard to maintain its hatchery production given aging facilities and the loss of heated water necessary for good growth. Given these challenges of hatchery production, the Division of Sport Fish has done well to attain hatchery performance targets and is poised to increase performance as hatchery production capacity is upgraded. These figures are based on preliminary estimates and may be updated following additional analysis.

A4: Strategy - Collect scientifically sound information on wildlife populations in Alaska.

Target #1: Increase by 5% the collection of population, harvest, and other biological information on species of concern and/or key species about which little information exists.

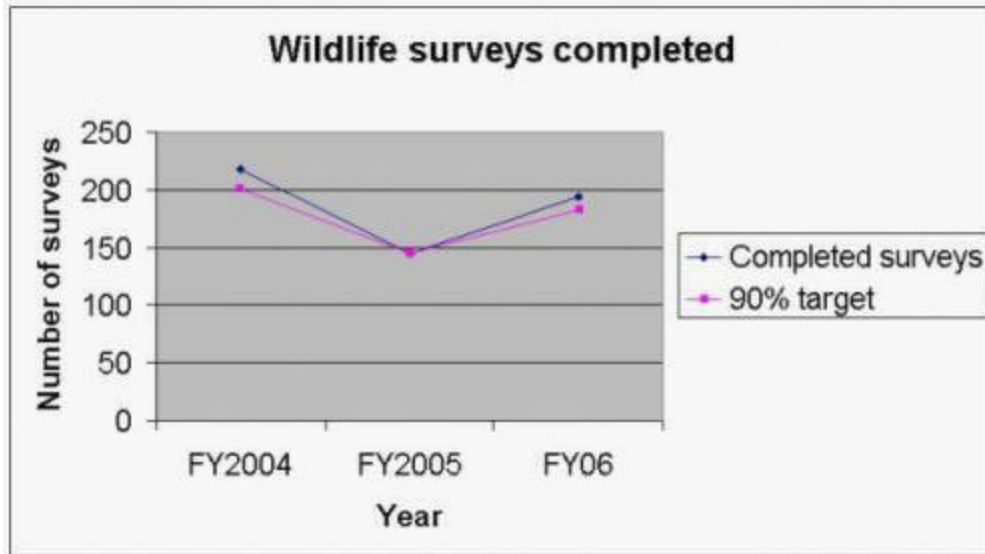
Measure #1: Percentage change in the numbers of studies initiated, underway, and completed.



Analysis of results and challenges: In FY06, 29 key species projects were continued and 4 were initiated for a total of 33. This represents a 10% increase over FY05's 30 projects, largely due to the continued availability of federal State Wildlife Grant funds.

Target #2: Complete 90% of planned surveys on the population status and harvest of big game species, furbearers, migratory birds and marine mammals (not including any stopped by adverse weather conditions or nonavailability of suitable aircraft).

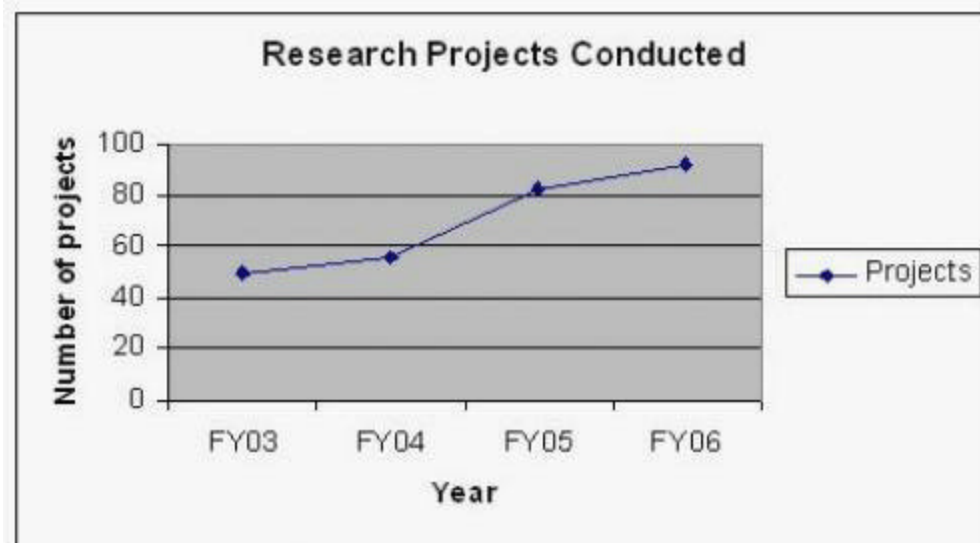
Measure #2: Percentage of planned surveys completed.



Analysis of results and challenges: During FY06, the division completed 96% of planned wildlife surveys (194 of 203) in which weather or aircraft availability was not a factor. Of those not completed, 8 were due to budget or personnel constraints, and 1 was due to logistical problems. Budget constraints also contributed to fewer surveys on lower priority species being planned for the year. Cost increases have exceeded increases in available funds both for personnel and for aviation fuel which has increased the costs of charter flights and operating department aircraft.

Target #3: Maintain the number of active research projects at 95 to 100% or more of the previous year's totals.

Measure #3: Number of research projects compared to those of the previous year.



Analysis of results and challenges: During FY06, 35 big game research projects, 20 marine mammal program research projects, 4 waterfowl/game bird, and 14 nongame research projects were conducted, for a total of 73 division research projects. (19 additional nongame research projects were conducted by partners using State Wildlife Grant funds from the division.) The previous year, FY05, 27 big game, 4 waterfowl, 20 marine mammal, and 15 nongame research projects were conducted (16 additional nongame research projects were conducted

by partners using State Wildlife Grant funds from the division.) for a total of 66 division research projects. The number of FY06 projects conducted by the division is 110% of those conducted the prior year.

A5: Strategy - Compile and analyze existing data; conduct research to gather information on the role of hunting and fishing by Alaskans for customary and traditional uses.

Target #1: Conduct a minimum of five studies of customary and traditional uses of fish and wildlife and harvests in at least three of the six regions each year.

Measure #1: Number of studies, by region, of Alaskan communities in which comprehensive and current fisheries and wildlife harvest data are collected and reported.

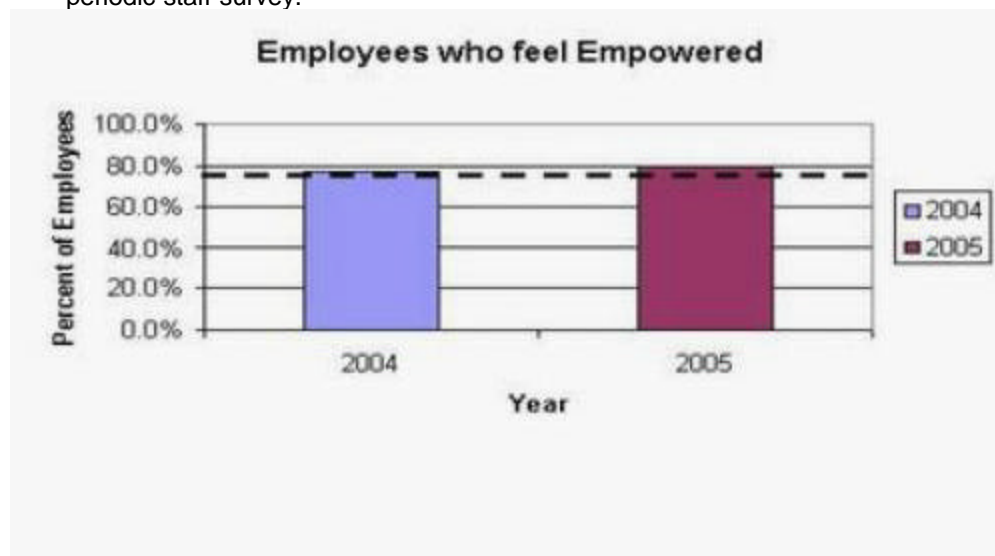
Division of Subsistence Community Survey Projects, 2002-2006							
Year	Region						Total
	Southeast	Southcentral	Southwest	Interior	Western	Arctic	
2006	3	5	5	9	10	6	38
2005	0	0	7	9	8	6	30
2004	1	0	11	0	8	6	26
2003	0	5	12	3	8	6	34
2002	2	0	12	20	2	5	41
Total	6	10	47	41	36	29	169

Analysis of results and challenges: The Division of Subsistence conducts field studies and gathers harvest survey information in communities almost entirely with special project funding. The funding is generally obtained through a competitive proposal process to address questions related to customary and traditional uses of specific fisheries and wildlife resources. Systematic regionwide surveys can occur only when relatively larger funding support is available, a rare occurrence in the past 10 years. The data table shows information has been incomplete for several regions over a 5-year period, with improvement in 2006. The target is to have scientific information collected and analyzed in each region at a consistent level each year; and develop a balance across regions, recognizing geographic differences. The target was achieved in each of the past 5 years.

A6: Strategy - Maintain a diverse, dedicated, motivated, empowered and effective workforce.

Target #1: To have at least 75% surveyed employees who report being motivated and empowered.

Measure #1: The percentage of employees who report being motivated and empowered as measured by a periodic staff survey.

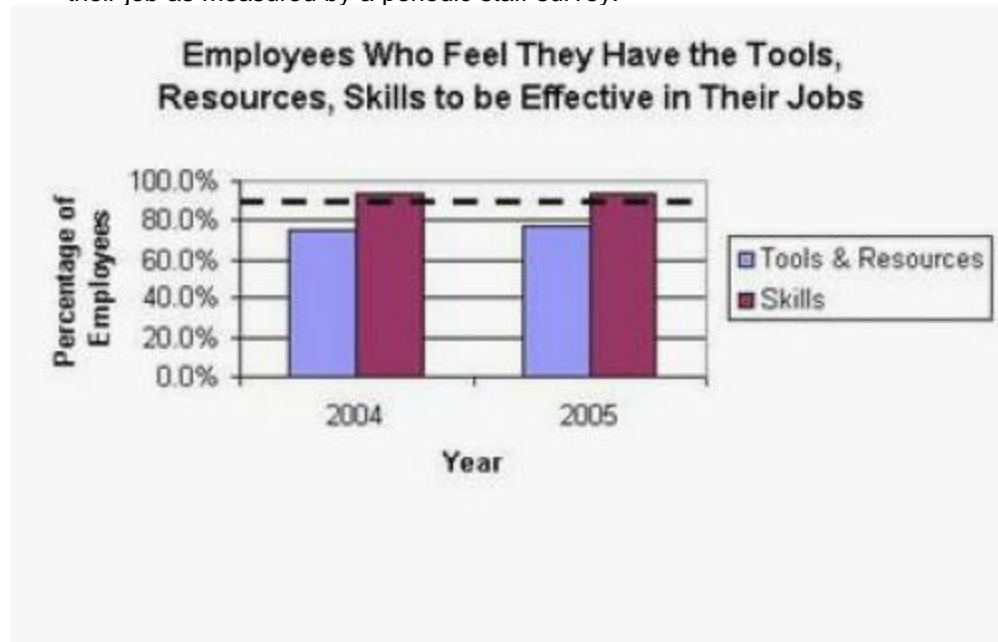


Analysis of results and challenges: 80% of employees feel empowered, which appears to be a small increase over 2004 (during which 77% were empowered).

The 2006 survey is expected to be conducted by the end of the calendar year.

Target #2: To have at least 90% surveyed employees who report having the tools, resources, and skills to be effective in their job.

Measure #2: The percentage of employees who report having the tools, resources, and skills to be effective in their job as measured by a periodic staff survey.



Analysis of results and challenges: 94% of Department employees in 2005 feel they have the skills to be effective in their job, only 77% of Department employees indicate they have the tools and resources to be effective in their jobs, which is very similar to 2004 figures. A similar pattern was evident across all divisions with over 90% of employees reporting that they felt they had the skills (training, education, experience) to be effective in their job, but generally fewer employees felt they had the tools and resources to be effective.

The 2006 survey is expected to be conducted by the end of the calendar year.

Key Department Challenges

Commercial Fisheries

Salmon Prices

Salmon prices remain at relatively low levels, although prices have improved each of the last three years. However, large volumes of farmed salmon keep prices for Alaskan salmon low compared to the levels they were at before farmed salmon production reached current levels. Furthermore, salmon market analysts predict that as salmon prices improve, salmon farmers will increase production to take advantage of the higher prices.

Susitna and Cook Inlet Sockeye Salmon Stocks

New research projects were begun during the 2006 field season on sockeye salmon stocks in the Kenai and Susitna Rivers. This research is intended to answer a number of questions about the abundance, productivity and harvests of sockeye salmon in upper Cook Inlet. Low numbers of sockeye salmon have been returning to the Susitna River and other northern Cook Inlet systems in recent years, while the Kenai and Kasilof Rivers have experienced very good returns. Increased funding will be required for research to determine the cause of the poor returns to northern Cook Inlet and to determine if effective management measures can be deployed to reduce the harvest in the central district.

commercial fisheries of northern Cook Inlet, while still allowing the harvest of abundant Kenai River and Kasilof River sockeye stocks.

Bering Sea Crab Research

The division is working on new methodologies, with federal funds, for stock assessments of Bering Sea snow crab, a stock that until recently provided the largest crab harvests in Alaska. Improved stock assessments will allow the department to maximize harvests, which is especially important to industry during periods of low stock productivity.

Employee Recruitment and Retention Difficulties

The division is continuing to lose experienced biologists, fishery scientists, and biometricians to federal agencies and other employers, as well as due to retirements. Replacing these specialized and experienced staffers has proven difficult because the division cannot offer competitive salaries and benefit packages. Insufficient numbers of applicants from within the state are requiring supervisors to recruit from out of state for almost all positions and even then many of our vacancies attract a poor applicant pool. One way the division is addressing this problem is through the development of a program to interest young Alaskans, especially from rural areas, in careers with the Department of Fish and Game.

Federal/State Subsistence

In order to minimize disruption to state residents, to protect state fish resources and to minimize federal intrusion into state management, significant staff time is spent interacting with the federal system of regional councils, which represent federal subsistence users, and the federal bureaucracy.

Federal Fishery Rationalization

The North Pacific Fishery Management Council (NPFMC) has a number of initiatives underway that affect state managed fisheries. These include proposals for rationalization of the groundfish fisheries in the Gulf of Alaska. State managers and researchers must work with the NPFMC to avoid deleterious impacts to state fisheries and coastal communities as federal rationalization occurs. The first season under the Bering Sea/Aleutian Island (BSAI) crab rationalization program saw fewer vessels participating and a reduction in crew member jobs. A number of communities have expressed concern about the effects of crab rationalization.

Vessels and Aircraft Maintenance

The division has several research and support vessels and four small aircrafts, which require regular maintenance and periodic overhaul. They are integral to a variety of stock assessment programs and also provide platforms for in-season management. Maintenance must be provided to protect this capital investment, assure efficient operations, and meet safety requirements.

Support for Aquaculture and Mariculture

Both private non-profit salmon hatchery operators and aquatic shellfish farmers depend on the division for planning, permitting, disease prevention, and other technical services. The division is frequently unable to provide the level of support desired, because of limited funding and staffing. Within the last year, interest has been growing to develop techniques for enhancing depressed shellfish populations like red and blue king crab.

Test Fish Revenue Concerns

In recent years, members of the legislature and representatives from the commercial fishing industry have raised concerns over the division's test fish program, including: 1) that fish taken by department test fishing operations are removed from the common property fisheries and therefore, not available to be harvested in the commercial fishery; 2) some object to test fishing as an "indirect form of taxation" that excludes the users of the common property resource from the fiscal policy decision-making process; and 3) the department's costs for operating projects funded with test fishing have increased over the years due to inflation and higher labor costs. At the same time, there has been a downward spiral in fish prices, particularly for salmon but also for shellfish. As fish prices or run sizes decline, the percentage of the resource needed to meet budget allocations increases.

Sport Fish

Constructing New Hatcheries and Maintaining Hatchery Production Goals

One of the primary challenges facing sport fisheries is the threat posed to recreational fishing opportunities and the benefits they provide caused by imminent loss of hatchery fish production. With the passage and signing of SB147 into law in 2005, the long-term problem with hatchery-production was addressed. Given recent increases in prices of commodities, it will be a challenge to build these hatcheries within budget. Issues with the site will also present

challenges to maintaining construction schedules. Also, significant short-term problems remain until the new facilities are constructed. Loss of heated water and issues associated with aging infrastructure result in the division not being able to meet current demands. The division is exploring creative solutions to sustain current reduced stocking levels until the new facilities are constructed and operational.

Resident Angler Satisfaction

Resident Alaskans are becoming increasingly aware of the tradeoffs between maximization of sport fishing opportunities and economic benefits and the perceived decline in the quality of the fishing experience, especially in the road-accessible salmon fisheries of South-Central and Interior Alaska. A result is below target levels of resident angler satisfaction. This issue is illustrated in the continuing conflict between guided and unguided chinook salmon anglers on the Kenai River and in southeast Alaska. The division is taking steps to allow for better dissemination of biological information and facilitation of communication and interaction among the user groups so that "win-win" management strategies can be developed and forwarded to the Board of Fisheries for consideration. The division anticipates conducting surveys of user groups to assess angler satisfaction and demand.

Halibut Fishery Management

Halibut is an extremely important recreational fishery in Alaska. Recent growth in this fishery, notably within the charter portion, has promoted discussion to develop a long-term management plan for this fishery. Given that halibut are managed under an international treaty, the NPFMC has primary jurisdiction over this fishery. However, given its importance to Alaska and that Alaska has a seat on the NPFMC, ADF&G is involved. To provide stability to the charter halibut fishery, the NPFMC is looking to fast track a moratorium for halibut charter operators in International Pacific Halibut Commission (IPHC) Areas 2C and 3A. In addition, the NPFMC is considering longer-term options for managing this fishery, including initial allocations between the charter industry and the commercial Individual Fishing Quota fishery, options for state delegations, limited entry and individualized quota systems. All these options require close coordination with the NPFMC, National Marine Fisheries Service, and IPHC.

Maintaining Hunting and Fishing Access

Federal initiatives are fast-tracking Alaska National Interest Lands Conservation Act (ANILCA) land conveyances. As these lands are conveyed it is necessary to assure traditional access is protected and maintained as required under law. Also, various federal land management planning activities threaten traditional access. The division is working with federal land management agencies to assure that traditional hunting and fishing access is protected and maintained.

Responsible Resource Development

Responsible development of Alaska's resources is a cornerstone of Alaska's economy. The division works with various agencies to review major land and water development projects to ensure that development of Alaska's resources occurs without significant impact to fish and wildlife and their uses. To accomplish this, the division houses the department's habitat permitting and review responsibilities that resulted from Executive Order 107. The division also houses a water unit that has the lead on hydroelectric project reviews and protection of instream flows. The division also conducts assessments and restoration of habitats necessary for sustained yield management. Finally, Alaska's special areas are managed in accordance with their statutory mandates.

Minimize Impact to Other Users While Meeting the Subsistence Priority

Federal oversight of subsistence fishing on federal public lands and waters is increasingly resulting in a loss of sport fishing opportunity across Alaska. Federal agencies have closed state-managed fisheries at various locations across Alaska. The division houses the state's subsistence liaison program. This unit strives to bring the best available scientific information to the federal subsistence decision-making process in an effort to maintain as much sport fishing opportunity as possible while ensuring a subsistence priority and sustained yield.

Sustaining Important Stocks

Implementation of the Sustainable Salmon Fisheries Policy (5 AAC 39.222), the Salmon Escapement Goal Policy (5 AAC 39.223), and the Policy for the Management of Sustainable Wild Trout (5 AAC 75.222) help ensure the sustainability of the state's fishery resources. Also, halibut are a very important resource to sport fisheries across coastal Alaska. The NPFMC manages all fishing for halibut, including sport fishing. The state sport fish program continues to work with the IPHC to collect baseline biological data and with the Council to ensure halibut stocks are managed for long-term sustainability. Management of recreational king salmon fisheries in Southeast Alaska is made more complex by the constraints associated with the U.S./Canada Pacific Salmon Treaty, the Endangered Species Act (ESA) and allocation conflict among users. Maintaining the existing sport fishery in light of these complex restraints requires very precise and extensive harvest monitoring as well as participation in the technical processes of the treaty

and ESA. King salmon enhancement and intensive stock assessment projects are the primary means of increasing angling opportunity and harvest.

Wildlife Conservation

Game Management and Hunting Opportunities

Predation by wolves and bears has a major impact on many wildlife populations in Alaska. The division will continue to work with the Board of Game to develop biologically sound and cost effective programs to regulate predator populations where necessary to improve the status of important ungulate herds.

Under AS 16.05.255, the Board of Game is charged with carrying out intensive management programs for identified big game populations failing to meet regulatory management objectives. In five areas, predator management is being used as a tool to boost the harvestable surpluses of moose and caribou populations and provide increased hunting opportunities for Alaskans. These programs are targeted at subunits within Game Management Units 12, 13, 16, 19, and 20, and more programs will likely be adopted this year. The department has allocated all available funds to supporting studies and currently lacks resources to document population parameters in order to support, sustain and defend new intensive management programs in the face of ongoing opposition and litigation. Without these programs, hunting opportunities will continue to be severely reduced.

The division's ability to maintain healthy populations of wildlife is directly related to the ability of Alaska's land and water resources to support these populations. Loss or serious alteration of important wildlife habitats can have direct and long-term economic impacts on the state by reducing the sustainable yield of these renewable resources. Because of increasing human populations and the need for an expanded and more diversified economy, the division must work closely with development interests and other agencies to effectively mitigate the effects of development through active management programs to ensure adequate protection of wildlife values and continued opportunities for public use of these resources. The process depends on the division's ability to provide the latest information, techniques, and research findings to all parties involved in a rapid and efficient manner.

Protect State Interests in the Designation and Management of Endangered Species

The listing of species as threatened or endangered under the federal Endangered Species Act can have great adverse economic impacts on Alaska. Division programs have been designed to provide for population recovery of listed species as well as preventing the need for additional listings. The division will continue to collect information on several species in an effort to ensure species are not unnecessarily listed under the federal act.

Dual Management

The federal assertion of management authorities for subsistence hunting on federal lands continues to have major impacts on the management of wildlife in Alaska. The division continues to work to address resource management and allocation conflicts between state and federal managers.

Funding Sources

There continues to be a need to address funding for the division's programs. Revenues into the Fish and Game Fund are derived from the sale of hunting and trapping licenses to residents and non-residents, special permits, tag fees, sanctuary access permits, shooting range fees, waterfowl stamps and limited edition prints, and educational publications and videos. Revenue generated from these sources has decreased from FY01 through FY06. Revenue received during FY06 was 4.8% less than the amount received in FY01.

Funding from the Investment Loss Trust Fund (ILTF) was added to the division's FY07 operating budget during the last legislative session. This additional funding source helps offset declining revenue into the Fish and Game Fund and diversifies the funding base for division operations. However, the ILTF is a one-time funding source. To sustain the level of service, the ILTF needs to be replaced with general funds.

Wildlife Conservation efforts funded by general funds are appropriate as the mission of the division is to manage and conserve wildlife for the entire population, both those who consume the resource and those who do not. During the 1990s and up until FY05, the division was funded almost entirely by dedicated revenue provided by hunting license purchasers and proceeds from the federal Wildlife Restoration Trust Fund. Diversification of funding sources for the division helps staff meet public demands for services.

Hunter Education Public Shooting Ranges

Patrons of the ranges are charged a user fee, but the collections provide only 30-35% of the operating costs for the range facilities. The fees are deposited into the Fish and Game Fund as permitted by AS 16.05.050 (a)(16) and CH 4, FSSLA 05, PG 73 LN 3. The Fish and Game Fund is comprised primarily of fees from hunting and fishing licenses and big game tags. These sources comprise 90% of the revenue into the fund. The division is trying to use the funds provided by the hunting community to manage wildlife species statewide. The general subsidy from the Fish & Game Fund for the operation of the shooting facilities results in less game management services. For FY08, this subsidy will continue.

Interagency receipts (I/A) spending authority of \$150,000 was added to the FY06 budget during the 2005 legislative session. I/A receipts are limited to only state agencies. No I/A receipts were received in FY06 and none are anticipated in FY07. As a result, a decrement is requested to remove the I/A receipt authorization.

Administrative Services

Deferred Maintenance

A deferred maintenance backlog of at least \$3.5 million on state-owned facilities continues to be an ongoing issue facing the division. The department has numerous facilities throughout the state ranging from offices to warehouses to bunkhouses and other support facilities such as docks and aircraft hangers. Many of these facilities are old and in need of repair and/or modification to make them structurally sound, code compliant and ADA accessible.

Fisheries and Game Boards and Advisory Committees

Intensive Management

The Board of Game continues to implement the intensive management law, taking actions to bring board findings and policies in line with changes in state statutes. Changes in statute also eliminated the requirement that the commissioner make a finding in addition to a board finding prior to issuance of a permit. The new law allows issuance of a permit with only a board finding needed. The board continues to make associated changes to its regulations to bring them into compliance with the new law and responds to requests for Predator Control Programs in additional areas.

Federal Subsistence Management

Federal management of subsistence uses on federal lands and waters continues to be a key issue for both the Boards of Fisheries and Game, and for the advisory committees. As the federal agencies implement subsistence management, the Boards Support Section has experienced an increased workload in designing a system within which state boards and the federal board may interact, responding to information requests from federal agencies, from state advisory committees and from the public. The Boards Support Section anticipates a continued increase in regulatory coordination issues for the boards during the 2006/2007 meeting cycle. Dual management, including two regulatory systems, can also be confusing and burdensome to the advisory committees. Ongoing education about the state's jurisdiction and responsibilities in state subsistence management is important for continued effectiveness of advisory committees. Interaction and communication between the state and federal advisory committee systems will also increase the effectiveness of the state's advisory committees.

Subsistence

Acquisition of Harvest Information and Use

Annual harvest monitoring for state subsistence salmon fisheries is needed for key areas where harvest information is necessary for management and regulatory decisions. The division must prioritize the use of decreasing fiscal resources to ensure that necessary scientific information is available and provided to the Board of Fisheries, Board of Game, local fish and game advisory committees, managers, and the public for regulation and management of fish and wildlife for subsistence use consistent with state law and the sustained yield principle. Reduced funding from reimbursable services agreements (RSAs) to collect salmon harvest data in several fisheries management areas—Kuskokwim, Bristol Bay, and Southeast has occurred. Without these data, fisheries will be managed more conservatively, reducing fishing opportunity.

Analysis of Nonsubsistence Areas

The Joint Boards of Fisheries and Game have called for a fall 2007 review of the state's nonsubsistence areas for the first time since 1992. This review requires the compilation, analysis, and presentation of fish and wildlife harvest, demographic, economic, and other required information. Analyses and presentations of information are mandatory for the 12 factors used to review and evaluate proposed changes in these areas. Since this is not part of annual operations, reprogramming staff and funding from core services would be necessary.

Dissemination of Harvest Information for Boards, Managers, and the Public

Disseminating information to the public, and making it available for use by state fisheries and wildlife managers, will continue to be challenging and time consuming without funding for on-line web-based information systems. The subsistence salmon harvest information needs to be integrated with the web-based harvest information system; and the associated publications need to be integrated into the department's on-line fisheries publications information system.

Exxon Valdez Oil Spill Trustees Council

The EVOSTC adopted an Interim Guidance Document in FY06 to assist in achieving short-term activities while adhering to the EVOSTC annual work plan process and schedule. The Interim Guidance Document focuses on areas of study to assist the Council in their decision-making process and has remained in effect throughout the development of the FY 07 Work Plan. Resultant determinations will be instrumental in the development of the FY 08 Work Plan. Planned actions will be to continue with the determination of:

- the fate and impact of lingering oil in the spill area;
- the status of injured resources and services and further revise and update the list; and
- the status and future of the habitat acquisition program.

The results and determinations of these efforts will be to allow the Council to effectively meet the requirements of the 1994 Restoration Plan and settlement agreement.

Commercial Fisheries Entry Commission

Gulf of Alaska Groundfish

CFEC will monitor federal efforts to rationalize Gulf of Alaska (GOA) groundfish in the Exclusive Economic Zone. Federal actions may lead to increased pressures on groundfish in waters managed under state jurisdiction from displaced fishermen and others who want to exploit the open status of Alaska's groundfish fisheries. CFEC will work with fishermen groups as well as state and federal agencies to meet the GOA groundfish rationalization challenge. CFEC will continue to work closely with ADF&G, the Alaska Board of Fisheries and interested fishery groups on issues relating to GOA groundfish.

Carlson Class Action

The state's obligations under the Carlson class action, which challenges the permit fees Alaska has charged nonresident fishermen, will need to be met by CFEC. These obligations include maintaining a database of permits held and current mailing addresses for Carlson class members. Loss of the lawsuit could require the state to pay huge refunds (tens of millions of dollars) to nonresident fishermen. It is imperative that Alaska have the resources to defend the State in court and to respond to whatever judgment is rendered.

Significant Changes in Results to be Delivered in FY2008

Sport Fish

A section of SB147 (signed into law in 2005) established a surcharge on sport fishing licenses which is deposited into the Sport Fish Enterprise Account (SFEA). The division will continue to fulfill its commitment made to the legislature to expand recreational fishing opportunities in Southeast Alaska by annually supplementing State and private non-profit hatchery operations with funds from the SFEA for 10 years. In FY08, a new project will be added: production of king salmon by Northern Southeast Regional Aquaculture Association (NSRAA) for release in the Haines area.

Subsistence

The division will participate as one of several state agencies in a 5-year study with the goal of restoring subsistence food safety confidence in communities impacted by the Exxon Valdez oil spill. The division's research will be one of several scientific studies, and will collect data on subsistence fishing and hunting activities, geographic areas affected by lingering oil, and reports of tainted wild foods. The division will work with other agencies on risk communication to inform the public about health risks associated with oil contamination of wild foods. Fiscal Year 2008 will be the first of the 5 study years.

Commercial Fisheries Entry Commission

The increased demand for implementation of new electronic fish ticket technology will require increased investment in technology to meet the challenge. With the creation of electronic reporting (e-landings), real time reporting, data entry, and validation is now possible. In cooperation with the multi-agency e-landing program, CFEC will be required to change our data technology in order to achieve electronic reporting. The commission will employ mag striping or bar coding on the permit card to eliminate data entry errors and reduce the data entry burden imposed on processors and ADF&G staff using the e-landings system. This technology will allow more information to be stored on the permit card, which will likely be needed as use-privileges in Alaska's fisheries become increasingly complex.

Major Department Accomplishments in 2006

Commercial Fisheries

The 2006 Alaska commercial salmon catch was over 141 million fish with a preliminary ex-vessel value of \$308 million. This was the fifteenth largest all species commercial salmon harvest on record, and included the second largest chum salmon harvest since 1960. Bristol Bay's sockeye salmon harvest of nearly 29 million fish was the eighth largest since 1893. The preliminary ex-vessel value was up about thirty million dollars from the previous ten year average.

Chinook and chum salmon production in Northwest Alaska has generally recovered from the disastrously low levels of 1996 to 2001. Summer chum and Chinook salmon returns to all areas in the AYK region were healthy and no subsistence restrictions were required. Escapement goals were met or exceeded in nearly all systems. The Kvichak River sockeye salmon escapement goal was met again this year. It appears that the productivity of this very important sockeye salmon producer is improving.

In the waters of the Bering Sea and Aleutian Islands, the division embarked on the implementation of an entirely new rationalized management system for the king and Tanner crab fisheries approved by the North Pacific Fishery Management Council (NPFMC). The division's analysis of the practice of "high grading" of red king crab during the 2005 season resulted in a reduction in the 2006 quota to reflect the incidental mortality associated with discarding legal crabs. Discussions with the crab industry will, it is hoped, prevent "high grading" in the 2006 season.

The division has increased the percentage of active aquatic farms operating with current permits to 86 percent. Two years ago, only 47 percent of the active aquatic farms in the state were operating under the terms of a current permit.

Sport Fish

FY2006 marks the second year in which sport fish guides and businesses intending to provide guiding services for compensation must be licensed. Licensing requirements have added a level of professionalism by establishing minimum standards to both fresh and saltwater sport fish guides. Strategies for assuring the accuracy of logbooks were put in place in 2006. Logbook data are used in demonstrating the sport fish industry's economic value to the state. In FY2006, the saltwater logbook data became crucial in responding to data requests from the NPFMC in its consideration of an individual fishing quota (IFQ) or halibut moratorium on the saltwater charter fleet.

The Boating Access Program completed five Capital Improvement Projects (CIP's) in FY06. Approximately twenty-three other boating, angler access, and land acquisition CIP's were initiated, monitored and/or managed statewide. In addition to CIP's, land research was conducted on numerous parcels to help resolve trespass issues, and numerous small site maintenance contracts were completed for services ranging from trash removal and sanitation to launch site dredging and sign fabrication/installation.

Wildlife Conservation

The division implemented 5 intensive management programs in an effort to increase ungulate species for human consumption by controlling predators in 6 game management units (13, 16B, 19A, 19D, 20E/12). Division staff conducted wildlife survey and inventory management projects for 11 big game species (black and brown bears, bison, caribou, Dall sheep, deer, elk, moose, mountain goat, muskox, and wolf) as well as furbearers and migratory birds across 26 game management units and sub-units. Wildlife research projects through the Pittman-Robertson Wildlife Restoration funding was conducted during FY06, including 35 related to big game; 25 are ongoing and 10 were completed during FY06. Research on four marine mammal species and three for waterfowl or game birds was conducted with funding from the National Marine Fisheries Service and the Fish and Wildlife Service, respectively. The division conducted 8 grants consisting of 48 individual projects. Of those, 4 grants are ongoing (44 projects) and 4 (4 projects) were completed during FY06.

Staff conducted 248 hunting clinics and classes in approximately 30 communities around the state, certifying 2,977 total students. There were 136 basic hunter education, 93 bowhunter, and 19 muzzleloader classes. The division trained 53 volunteer instructors at regional workshops in Nome, Juneau, Fairbanks, Anchorage, the Mat-Su valley, and Kenai Peninsula. The division's outreach to schools and community groups included holding wildlife curriculum training for 244 teachers, 88 wildlife-related lectures and workshops, and supporting the work of division managers by better informing the public about wildlife management issues and challenges.

Subsistence

During 2006 the department has maintained its aggressive approach in challenging the unnecessary expansion of the federal subsistence program in Alaska. The department continued to push the Federal Subsistence Board to (1) develop written policies and procedures; (2) follow its own regulations and court direction; and (3) make decisions based upon real data. This approach is meant to reduce the potential for arbitrary and capricious decisions by ensuring that the Board has a process and procedure in place for making consistent decisions in accordance with federal statutes and regulations, as well as court direction. Over the last year, the State of Alaska has also initiated court action challenging the Federal Subsistence Board in areas where it has over-stepped its limited jurisdiction, made overly broad or inconsistent determinations, or failed to follow its own regulations.

Prioritization of Agency Programs

(Statutory Reference AS 37.07.050(a)(13))

Generally, highest priority programs are constitutionally based; second priority level programs are based in statute; remaining programs are third priority programs. All programs play a key role in the department fulfilling its mission and carrying out core services:

- Provide opportunity to utilize fish and wildlife resources;
- Ensure sustainability and harvestable surplus of fish and wildlife resources;
- Provide information to all customers;
- Involve the public in management of fish and wildlife resources; and
- Protect the state's sovereignty to manage fish and wildlife resources.

Beyond this, consideration is given to availability of state general funds for programs, and funding restrictions on federal, fish and game funds, test fish receipts, and other funding sources the department utilizes.

Department Programs Prioritized Within Each Division

COMMERCIAL FISHERIES

- 1) Stock Assessment and Applied Research
- 2) Harvest Management
- 3) Laboratory Services
- 4) Aquaculture Permitting
- 5) Data Processing
- 6) Education and Information Services

SPORT FISH

- 1) Management
- 2) Stock Assessment
- 3) Habitat Assessment and Permitting
- 4) Hatchery Production
- 5) Access Development and Maintenance
- 6) Planning and Survey
- 7) Education and Information Services
- 8) Enforcement Services

WILDLIFE CONSERVATION

- 1) Wildlife Population Inventories
- 2) Harvest Management
- 3) Participation in Regulatory Process
- 4) Species-Specific Research to Address Management Problems
- 5) Implementation of Intensive Management Programs Where Necessary
- 6) Education and Information Services

SUBSISTENCE

- 1) Collect Information on Subsistence Harvest
- 2) Conduct Research on Subsistence Harvest and Patterns of Use
- 3) Determination of Customary and Traditional Uses
- 4) Participation in Regulatory Process
- 5) Education and Information Services

ADMINISTRATION AND SUPPORT

- 1) Management of Department Programs by Commissioner's Office
- 2) Regulatory Process Through Boards and Advisory Committees
- 3) Administrative Services in Support of Department Programs
- 4) Facilities Management

COMMERCIAL FISHERIES LIMITED ENTRY COMMISSION

- 1) Limit Entry into Commercial Fisheries for Resource Conservation and Economic Viability
- 2) Administer Limited Entry Permit and Vessel Licensing System
- 3) Adjudication of Claims Related to Limited Entry Program
- 4) Participation in Board of Fisheries Process
- 5) Education and Information Services

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Department Budget Summary by RDU

All dollars shown in thousands

	FY2006 Actuals				FY2007 Management Plan				FY2008 Governor			
	General Funds	Federal Funds	Other Funds	Total Funds	General Funds	Federal Funds	Other Funds	Total Funds	General Funds	Federal Funds	Other Funds	Total Funds
Formula Expenditures												
None.												
Non-Formula Expenditures												
Commercial Fisheries	24,972.6	15,214.9	10,704.8	50,892.3	27,289.0	16,268.2	15,590.0	59,147.2	32,108.0	14,268.2	15,945.4	62,321.6
Sport Fisheries	352.1	18,171.2	18,362.6	36,885.9	1,679.1	22,596.6	23,857.6	48,133.3	5,155.3	23,596.9	22,230.2	50,982.4
Wildlife Conservation	1,321.4	16,405.7	9,219.5	26,946.6	2,201.3	19,168.3	12,507.7	33,877.3	6,012.7	19,168.3	11,332.2	36,513.2
Hunter Ed Public Shooting Range	1.1	0.0	595.9	597.0	126.1	0.0	680.0	806.1	0.0	0.0	0.0	0.0
Administration and Support	6,835.6	3,574.6	10,065.3	20,475.5	7,434.9	5,285.1	11,028.9	23,748.9	9,061.5	4,990.1	12,479.2	26,530.8
Commercial Fisheries Entry Com	281.4	0.0	2,791.3	3,072.7	302.5	114.4	3,128.4	3,545.3	342.8	114.4	3,540.6	3,997.8
Totals	33,764.2	53,366.4	51,739.4	138,870.0	39,032.9	63,432.6	66,792.6	169,258.1	52,680.3	62,137.9	65,527.6	180,345.8

Funding Source Summary

All dollars in thousands

Funding Sources	FY2006 Actuals	FY2007 Management Plan	FY2008 Governor
1002 Federal Receipts	53,366.4	63,432.6	62,137.9
1003 General Fund Match	400.2	400.2	435.7
1004 General Fund Receipts	33,352.1	38,620.8	52,226.7
1005 General Fund/Program Receipts	11.9	11.9	17.9
1007 Inter-Agency Receipts	9,666.9	11,980.4	12,240.6
1018 Exxon Valdez Oil Spill Settlement	2,098.8	4,314.7	4,612.3
1024 Fish and Game Fund	24,108.9	26,834.8	24,660.2
1036 Commercial Fishing Loan Fund	1,976.3	1,326.3	1,326.3
1053 Investment Loss Trust Fund		1,330.7	
1055 Inter-agency/Oil & Hazardous Waste		64.3	64.3
1061 Capital Improvement Project Receipts	5,044.1	5,001.2	4,572.9
1108 Statutory Designated Program Receipts	2,345.9	5,911.7	7,403.9
1109 Test Fisheries Receipts	1,968.2	2,513.4	2,514.3
1156 Receipt Supported Services	591.5	501.7	501.7
1194 Fish and Game Nondedicated Receipts	1,172.5	1,660.5	1,660.5
1199 Alaska Sport Fishing Enterprise Account		350.0	500.0
1201 Commercial Fisheries Entry Commission Receipts	2,766.3	5,002.9	5,470.6
Totals	138,870.0	169,258.1	180,345.8

Position Summary

Funding Sources	FY2007 Management Plan	FY2008 Governor
Permanent Full Time	861	862
Permanent Part Time	809	800
Non Permanent	102	102
Totals	1,772	1,764

FY2008 Capital Budget Request

Project Title	General Funds	Federal Funds	Other Funds	Total Funds
Mendenhall Wetlands State Game Refuge Lands Conservation	0	916,700	336,800	1,253,500
Sport Fisheries and Recreational Boating Access	0	2,100,000	700,000	2,800,000
Language: Sport Fisheries Hatchery Construction Investment Earnings	0	0	3,300,000	3,300,000
Department Total	0	3,016,700	4,336,800	7,353,500

This is an appropriation level summary only. For allocations and the full project details see the capital budget.

Summary of Department Budget Changes by RDU

From FY2007 Management Plan to FY2008 Governor

All dollars shown in thousands

	<u>General Funds</u>	<u>Federal Funds</u>	<u>Other Funds</u>	<u>Total Funds</u>
FY2007 Management Plan	39,032.9	63,432.6	66,792.6	169,258.1
Adjustments which will continue current level of service:				
-Commercial Fisheries	1,789.3	-2,769.4	389.1	-591.0
-Sport Fisheries	3,255.7	-650.7	-2,636.4	-31.4
-Wildlife Conservation	3,524.2	-1,347.1	-2,199.6	-22.5
-Administration and Support	911.5	-612.8	207.7	506.4
-Commercial Fisheries Entry Com	0.4	0.0	5.4	5.8
Proposed budget decreases:				
-Commercial Fisheries	0.0	-500.0	-806.9	-1,306.9
-Sport Fisheries	0.0	0.0	-800.0	-800.0
-Wildlife Conservation	0.0	0.0	-524.8	-524.8
Proposed budget increases:				
-Commercial Fisheries	3,029.7	1,269.4	773.2	5,072.3
-Sport Fisheries	220.5	1,651.0	1,809.0	3,680.5
-Wildlife Conservation	161.1	1,347.1	868.9	2,377.1
-Administration and Support	715.1	317.8	1,242.6	2,275.5
-Commercial Fisheries Entry Com	39.9	0.0	406.8	446.7
FY2008 Governor	52,680.3	62,137.9	65,527.6	180,345.8